

WEIKLE & Co.

REDACTED – FOR PUBLIC INSPECTION

June 30, 2016

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th St, SW
Washington, D.C. 20554

RE: WC Docket No. 14-58
FCC Form 481 – Carrier Annual Reporting
MGW Telephone Company
Request for Confidential Treatment

Request that Information Submitted to the Commission be Withheld from Public Inspection Pursuant to 47 C.F.R. §0.459 and 5 U.S.C. §552(b)(4): Five-Year Service Quality Improvement Plan Progress Report included in FCC Form 481

Dear Ms. Dortch:

This FCC Form 481- Carrier Annual Reporting is being submitted on behalf of MGW Telephone Company (“MGW” or “Company”) in accordance with FCC Rules 54.313 and 54.422. This version is the Redacted – For Public Inspection version.

MGW, by its authorized representative, hereby requests confidential treatment of two attachments to its FCC Form 481: (1) the five-year service quality improvement plan progress report and (2) the financial annual report, both of which are redacted in the ECFS submission. The request for confidential treatment of the five-year plan progress report is being made pursuant to Section 0.459 of the Commission’s rules and Exemption 4 of the Freedom of Information Act (FOIA). The request for confidential treatment of the financial annual report is being made pursuant to the FCC’s March 22, 2016 *Protective Order* in WC Docket Nos. 10-90 and 14-58. These attachments contain competitively sensitive data that MGW maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Company.

Five-Year Service Quality Improvement Plan Progress Report

Pursuant to Section 0.459 of the Commission’s rules and Exemption 4 of FOIA, MGW requests that the text and data extracted from its five-year service quality improvement plan progress report be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Company maintains as confidential. Public availability of this information would have a substantial negative impact on the Company.

151 SPRING STREET NW
CONCORD, NC 28025-4749

JERRY L. WEIKLE
President

jweikle@windstream.net
704.699.9451

In accordance with Section 0.459 of the Commission's rules, the following information is provided in support of this request:

(1) Identification of the specific information for which confidential treatment is sought:

The FCC Form 481 – Five-Year Service Quality Improvement Plan Progress Report Information contained in the Attachment for Line 112. Confidential treatment is requested sought for all information in the five-year plan progress report since it contains current and proposed details about the network and costs.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The information was submitted in WC Docket No. 14-58 as an attachment to the FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of the FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a progress report on its five-year service quality improvement plan, pursuant to 47 C.F.R. §54.313(a)(1).

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The five-year service quality improvement plan progress report contains detailed information on the Company's customer information, broadband capabilities, and planned capital investments and expenses for its network to improve service quality, service coverage, and/or service capacity. A map of the Company's service area detailing progress toward meeting broadband deployment targets at the wire center level is also contained. This is closely guarded and privileged information that the Company does not make publicly available.

(4) Explanation of the degree to which the information concerns a service that is subject to competition:

This information contains details about plans and completed network upgrades for voice and broadband offered by the Company. Both voice and broadband services are subject to competition. There are competitors in the Company's service area including various wireless service providers.

(5) Explanation of how disclosure of the information could result in substantial competitive harm:

Disclosure of the information contained in the five-year plan progress report would provide competitors with detailed information regarding the Company's customer information, existing broadband capabilities, and its recent and planned network

investments that improve service quality, coverage, and/or capacity for customers. This would give competitors valuable confidential information with which to develop their own strategies for investing in the service area, thereby bringing substantial competitive harm to the Company.

(6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Company has continually treated the extracted information in its five-year plan progress report as confidential and carefully controls the information to protect it from competitors. Access to the information is limited to employees that require it and to non-employees with confidentiality obligations such as lenders, consultants, auditors, and attorneys. In addition, when such information is required to be submitted to a state regulatory commission it has been filed as confidential information which is not made available to the public.

(7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The redacted information in the five-year plan progress report is not available to the public. Third-party access is limited as described in item (6) above.

(8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Company requests that the extracted information be withheld from public inspection indefinitely. The information in the five-year plan progress report provides details about the Company's most recent network upgrades in relation to its previously submitted service quality improvement plan. It also contains information about planned network improvements during the five-year period ending 2019. This information would provide a very useful baseline for competitors for several years beyond that period.

(9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

Financial Annual Report

Section 3005 of FCC Form 481 requires a privately-held rate-of-return carrier receiving high cost support to attach a full and complete annual report of the company's financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). MGW seeks confidential treatment of its financial annual report pursuant to the March 22, 2016 *Protective Order* in WC Docket

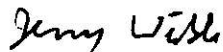
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Federal Communications Commission
June 30, 2016
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Nos. 10-90 and 14-58.¹ The *Protective Order* specifically covers information filed pursuant to 47 C.F.R. §54.313(f)(2).

A paper version of this letter along with the Form 481 containing confidential information is being filed with the Office of the Secretary. This REDACTED – FOR PUBLIC INSPECTION copy is being submitted electronically through ECFS.

If there are any questions, I can be reached at 704.699.9451.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jerry Weikle".

Jerry Weikle
Consultant to MGW Telephone Company

Attachment

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Sheri H Smith
<035>	Contact Telephone Number: Number of the person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	sherihsmith@mgwnet.com
	Form Type	54.313 and 54.422

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**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5	
<111>	year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

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If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

190238va112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How much (USF) was used to improve service quality and how support was used to improve service quality
- <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
- <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Yes

**(300) Unfulfilled Service Request
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

<300> Unfulfilled service request (voice)

0

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

0

<330> Detail on attempts (broadband)

Name of Attached Document

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<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. Offered only fixed voice	
<410>	Complaints per 1000 customers for fixed voice	2 . 0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. Offered only fixed broadband	
<440>	Complaints per 1000 customers for fixed broadband	1 . 0
<450>	Complaints per 1000 customers for mobile broadband	

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<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
190238va510.pdf		
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	

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(600) Functionality in Emergency Situations Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	190238va610.pdf

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**(700) Price Offerings including Voice Rate Data
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	190238
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<015> Study Area Name MGW TEL. CO. INC.

<020>	Program Year	2017
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<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
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<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
-------	---	-----------------

<039> Contact Email Address - Email Address of person identified in data line <030> sherihsmith@mgwnet.com

<701> Residential Local Service Charge Effective Date

1/1/2016

<702> Single State-wide Residential Local Service Charge

[illegible]

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<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

[illegible]

<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	<u>Sheri H Smith</u>
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com
<810>	Reporting Carrier	MGW Telephone Company, Inc
<811>	Holding Company	MGW Communications, Inc.
<812>	Operating Company	MGW Telephone Company, Inc.

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**(900) Tribal Lands Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

<900> Does the filing entity offer tribal land services? (Y/N) No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

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**(1000) Voice and Broadband Service Rate Comparability
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 190238va1010.pdf

Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance 190238VA1030.pdf

Name of Attached Document

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

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(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

190238va1210.pdf

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

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(2000) Price Cap Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

July 2013

<010>	Study Area Code	190238
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<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support
- <2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support
- <2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.
- <2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.
- <2024A> Round 2 Recipient of Incremental Support?
- <2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.
- <2025A> Round 1 or Round 2 Recipient of Incremental Support?
- <2025B> Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-
- <2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing
Required Information

Name of Attached Document Listing
Required Information

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(2000) Price Cap Carrier Additional Documentation (Continued)

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

July 2013

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

Name of Attached Document Listing
Required Information

cap carrier used for capital expenditures in 2015.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

Name of Attached Document Listing
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

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<2020> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

<2021> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

<2026> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

<2027> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

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<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)		
(3010A)	Milestone Certification {47 CFR § 54.313(f)(1)(i)}	Yes - Attach Certification	
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	190238va3010.pdf
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	Yes - Attach New Community Anchors	
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information	190238va3012.pdf
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No)	<input type="radio"/> <input checked="" type="radio"/>
(3015)	Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No)	<input type="radio"/> <input checked="" type="radio"/>
(3019)	If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains: Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:		<input type="checkbox"/>
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input checked="" type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input checked="" type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input checked="" type="checkbox"/>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	190238va3026.pdf

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(3005) Rate Of Return Carrier Additional Documentation (Continued)

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

Financial Data Summary

(3027) Revenue

(3028) Operating Expenses

(3029) Net Income

(3030) Telephone Plant In Service(TPIS)

(3031) Total Assets

(3032) Total Debt

(3033) Total Equity

(3034) Dividends

REDACTED -- FOR PUBLIC INSPECTION

<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission’s public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

REDACTED -- FOR PUBLIC INSPECTION

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	190238
<015> Study Area Name	MGW TEL. CO. INC.
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035> Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: MGW TEL. CO. INC.	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/29/2016
Printed name of Authorized Officer: Sheri Smith	
Title or position of Authorized Officer: Treasurer	
Telephone number of Authorized Officer: 5409255235 ext.	
Study Area Code of Reporting Carrier: 190238	Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

REDACTED -- FOR PUBLIC INSPECTION

**Certification - Agent / Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010> Study Area Code	190238
<015> Study Area Name	MGW TEL. CO. INC.
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035> Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent Firm: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Name of Authorized Agent Employee: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

REDACTED -- FOR PUBLIC INSPECTION

REDACTED -- FOR PUBLIC INSPECTION

Attachments

5 Year Plan Progress Report
Pursuant to 47 C.F.R § 54.313(a)(1) and (f)(1)

Company Name: MGW Telephone Company

REDACTED -- FOR PUBLIC INSPECTION

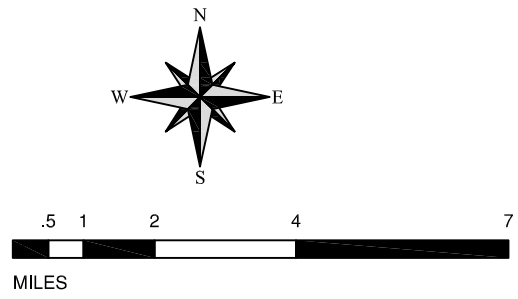
Study Area Code: 190238

REDACTED -- FOR PUBLIC INSPECTION

Project Information:

Wire Center/Exchange Project	Projected Start Year	Projected Completion Year	Actual Completion Year	Percentage Complete	If not complete, explain why:

✓



REDACTED -- FOR PUBLIC INSPECTION

REDACTED -- FOR PUBLIC INSPECTION

REDACTED -- FOR PUBLIC INSPECTION

MILES

REDACTED -- FOR PUBLIC INSPECTION

Service Quality Standards and Consumer Protection Rules Compliance

MGW Telephone

Line 510

MGW Telephone follows the Virginia State Corporation Commission's rules as a minimum guide to ensure a high service quality for its customer base.

Emergency trouble report response

1. MGW accepts, acknowledges, and records trouble reports of an emergency nature at all times through automated or live means.
2. MGW takes immediate action to clear trouble reports of an emergency nature. MGW would inform the SCC of a service outage in Virginia by providing all reports required by the Federal Communications Commission (FCC) under 47 CFR Part 4. MGW complies with all provisions of 47 CFR Part 4 related to report content, processing, and delivery. MGW had 0 emergency related trouble reports in 2015

Network and customer care service quality and reporting.

1. MGW restores all out-of-service trouble reports within 24 hours, per calendar month, on a statewide basis, for customers stating a medical necessity when restoration is feasible. "Feasible" means service can be restored unless there exists a condition beyond the control of MGW.
2. MGW restores no less than 80% of out-of-service trouble reports within 48 hours, and no less than 95% within 96 hours, per calendar month, on a statewide basis, excluding Sundays and MGW-recognized holidays for business customers, and excluding Saturdays, Sundays, and MGW-recognized holidays that do not result in three consecutive excluded days for residential customers. MGW may exclude customer-caused delays and extended intervals that are explicitly accepted or requested by customers.
3. Calls to MGW customer call center are answered by a live customer service representative seven days a week from 7:30 AM until 10 PM. In the event a representative is not available, customers can leave a message and the representative will return their call as soon as they are available. Customers with billing questions are transferred to a billing agent Monday through Friday 7:30 AM until 4 PM.
4. MGW completes no less than 90% of installation service orders within five business days of a customer's request, per calendar month, on a statewide basis. MGW may exclude customer-caused installation delays, installations that require construction at new service location, service orders for the installation of more than five NALs at one customer location, and extended intervals that are explicitly accepted or requested by customers. MGW may exclude installation service orders that involve porting telephone numbers, the delivery of which has been delayed by another LEC, or any other communications provider.

5. MGW meets no less than 90% of installation and repair commitments, per calendar month, as set forth by the SCC of Virginia.

6. MGW does not exceed a 0.35% central office trouble report rate as set forth by the SCC.

Consumer Protection

MGW Telephone Company is committed to maintaining privacy of customer information. In addition to protecting personal information, the company is obligated to give additional protections to information on how customers use their services. MGW Telephone Company follows all requirements the FCC has mandated concerning Customer Proprietary Network Information (CPNI). As required, MGW files annual CPNI compliance certifications with the FCC by March 1 each year.

MGW Telephone Company also has an identity theft prevention program in place to comply with Red Flag Identity Theft prevention rules. This program ensures that no information pertaining to our customers is compromised and that information from new customers is accurate.

All MGW employees are required to attend annual classes on privacy, CPNI, and Identity Theft Prevention rules and procedures.

MGW Telephone Functionality in Emergency Situations Line 610

Backup/Emergency Power

MGW Telephone's main Central Office has both battery backup and permanent mounted generator backup. If commercial power fails, batteries carry all central office equipment until the generator comes on within one minute of power failure. If the generator fails to come on, batteries can carry the central office for 8 hours.

All remote switches have both battery backup and permanent mounted generator backup. If commercial power fails, batteries carry all central office equipment until the generator comes on within one minute of power failure.

All generators at the main Central Office and the remote switch are propane or diesel powered and can run for 40 hours on their fuel supply.

All small remote switches have battery backup that can carry the equipment for 18 hours in the event of commercial power failure. They also have ports where a portable generator can be connected to supply power to the remote. These portable generators are gasoline powered and can run for 14 hours on their fuel supply. During the event of an emergency, these portable generators are resupplied with fuel on a regular basis.

Network Facilities

During times of an emergency or damage to facilities, there is the ability to reroute traffic within our network. Currently all traffic is routed over a fiber ring. In the case of damage to the fiber ring, a switchover of traffic flow on the ring is automatic. If the fiber ring goes down completely, there are alternate trunks that traffic is manually routed to for completion.

MGW connects to a Verizon tandem Central Office in Staunton, VA. MGW has redundant facilities that connect to the Verizon tandem. During times of an emergency or damage to facilities, traffic is rerouted over redundant facilities.

Traffic Spikes

When there are traffic spikes resulting from emergency situations, during extreme emergencies and any resulting traffic spikes, priority is first given to first responders to allow their traffic to complete. Depending on the severity of the emergency situation and the amount of traffic, other traffic would be restricted if need be in order to give priority to first responders.

MGW's Central Office switch is configured with a certain number "priority" line assignments in each line assignment group. Local municipal, fire, EMS, and rescue telephone numbers are assigned to these priority line assignment positions. Should the switch get in an overload status, it automatically prioritizes these positions to remain in service before non-priority line assignments.

(700) Price Offerings including Voice Rate Data Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

July 2013

<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

REDACTED -- FOR PUBLIC INSPECTION

<703>

[illegible]

(710) Broadband Price Offerings Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<015>	Study Area Name	MGW TEL. CO. INC.
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REDACTED -- FOR PUBLIC INSPECTION

<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
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<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@gwnet.com
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[illegible]

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

<010>	Study Area Code	190238
<015>	Study Area Name	MGW TEL. CO. INC.
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Sheri H Smith
<035>	Contact Telephone Number - Number of person identified in data line <030>	5409255235 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	sherihsmith@mgwnet.com

~~REDACTED -- FOR PUBLIC INSPECTION~~

<810>	Reporting Carrier	MGW Telephone Company, Inc
<811>	Holding Company	MGW Communications, Inc.
<812>	Operating Company	MGW Telephone Company, Inc.

[illegible]

MGW Telephone
Voice Services Rate Comparability
Line 1010

The FCC released a Public Notice on April 5, 2016 (DA 16-362) which listed the urban average rate as \$21.93 for residential customers. The same Public Notice listed the rate that is a reasonably comparable benchmark at \$41.07.

MGW Telephone charges all residential customers \$18.00 plus a federal Subscriber Line Charge of \$6.50 for monthly service with unlimited local calling. The total of these charges is \$24.50 which is less than the reasonably comparable benchmark of \$41.07.

Because of this, MGW Telephone is able to certify that its pricing of fixed voice service is no more than two standard deviations above the applicable national average urban rate for voice service.

MGW Telephone
Broadband Services Rate Comparability
Line 1030

The FCC released a Public Notice on April 5, 2016 (DA 16-362) which listed broadband rate benchmarks for some broadband service offerings. The Notice stated that benchmark rates for other service offerings could be calculated using the FCC Reasonable Comparability Benchmark Calculator found at <http://www.fcc.gov/encyclopedia/urban-rate-survey-data>. MGW offers a 5/1 product with unlimited monthly usage which was not listed in the Notice. The FCC benchmark rate is calculated at \$73.26 which is higher than MGW's rate of \$69.99.

MGW's pricing meets the Commission's broadband public interest obligations by not charging more than the benchmark rate.

MGW Telephone Lifeline Terms and Conditions Line 1210

As a state regulated wireline carrier, MGW Telephone offers Lifeline service in accordance with FCC rules and terms and conditions in its tariff. The terms and conditions of the tariff are included at the end of this file.

Minutes of Use

Each Lifeline customer has unlimited local usage and is able to make local calls at no additional charge. Each Lifeline customer is also able to receive unlimited local and long distance calls at no additional charge.

Toll Charges

Each Lifeline customer is able to receive toll blocking to avoid incurring unexpected toll charges. In the event the customer would like to make toll calls then the customer is able to choose which long distance company they would like to use and then choose which rate plan is best for them.

GENERAL CUSTOMER SERVICES TARIFF
MGW Telephone Company

Section 18
Revision 2 Sheet 1

VIRGINIA UNIVERSAL SERVICE PLAN (VUSP)

1. General

The Virginia Universal Service Plan (VUSP) is designed to assist qualified residential customers to subscribe to and retain Local Exchange Service. The VUSP consists of the Lifeline Assistance Program.

2. Regulations

A.

(D)

- B. Customers must be certified by the appropriate state agency that they participate (C) in one of the following programs: Medicaid; Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps; ** Supplemental Security Income (SSI); Federal Public Housing Assistance (Section 8); Low-Income Home Energy Assistance Program (LIHEAP); National School Lunch Program's free lunch program; Temporary Assistance for Needy Families (TANF); or, be able to provide proof of household income which is at or below 135% of the annual Federal Poverty Guidelines for all States. Certification will be based in accordance with Federal Communications Commission rules found in CFR § 54.401(c). Such certification must be provided to the Company.
(C)

- C. Lifeline Assistance will continue to be provided to a customer only as long as a customer meets the qualification criteria outlined above. The continuation of qualification for Lifeline Assistance must be re-certified every 12 (C) months for customers, following the establishment of the Lifeline Assistance.
Without such re-certification, the customer's assistance will be discontinued.

- D. When the Company receives notice from the appropriate state agency, or the customer, that the customer is no longer meeting the qualification criteria above, the Company will then notify the customer that the assistance will be discontinued or changed to another class of residential service.

(M)

(M)

(M)

** Qualification criteria in addition to the VUSP are due to FCC rules.

(M) Material previously appearing on this Sheet now appears on Sheet 2.

Issued: July 18, 2012

Effective: August 1, 2012

By: R. Craig Smith, President, Williamsville, Virginia

GENERAL CUSTOMER SERVICES TARIFF

MGW Telephone Company

Section 18
Revision 2 Sheet 2

VIRGINIA UNIVERSAL SERVICE PLAN (Cont'd)

2. Regulations (cont'd)

- E. A VUSP Service customer, nor any other member of the household, may
(M)
not subscribe to any other form of Local Exchange Service on the same premises.
- F. As a participant in the Lifeline Assistance, customers are eligible to receive Toll Restriction at no charge. This service is provided at the customer's request.
(M)
- G. Customers eligible for Lifeline Assistance are not required to pay a deposit if the customer does not owe the Company for previous service and the customer voluntarily receives Toll Restriction Service. Lifeline Assistance will not be connected if an outstanding balance is owed by the customer for local service.
- H. Customers qualifying for VUSP service in order to obtain toll service may make the required deposit in four successive monthly installments.
- I. Participants in Lifeline Assistance shall not be disconnected from Local Service for non-payment of toll charges, but may be required to use toll restriction. In addition, the Company will not deny re-establishment of local services to

customers who are eligible for Lifeline Assistance and have previously been disconnected for non-payment of toll charges, provided they reply for toll restriction.

- J. Partial Payments that are received from Lifeline Customers will first be applied to local service and then to any outstanding toll charges.
- K. If a customer on Lifeline Assistance is no longer qualified for assistance, no service charges apply for changing to a Residence Local Exchange Access line normally provided to the customer's premise.

(M) Material now appearing on this Sheet previously appeared on Sheet 1.

Issued: July 18, 2012

Effective: August 1, 2012

By: R. Craig Smith, President, Williamsville, Virginia

MGW Telephone Company
GENERAL CUSTOMER SERVICES TARIFF

Section 18
Revision 2 Sheet 3

VIRGINIA UNIVERSAL SERVICE PLAN (Cont'd)

3. Credits

Life Line Assistance

The credit allowed for Lifeline Assistance will be as established by the Federal
(C) Communications Commission.
(C)

Issued: July 18, 2012

Effective: August 1, 2012

By: R. Craig Smith, President, Williamsville, Virginia

GENERAL CUSTOMER SERVICES TARIFF
MGW Telephone Company

Section 18
Revision 2 Sheet 4

VIRGINIA UNIVERSAL SERVICE PLAN (cont'd)

3. Credits (Cont'd)

The following credit will apply for each customer eligible for Lifeline Assistance:

- | | |
|-------------------|--------|
| 1. Federal Credit | \$9.25 |
| (C)(R) | |

Adjustments

Adjustments to these credits may be made as required by regulatory agencies for cost recovery.

Issued: July 18, 2012

Effective: August 1, 2012

By: R. Craig Smith, President, Williamsville, Virginia

MGW Telephone
Milestone Certification
Line 3010

Certification

During 2015, MGW Telephone Company certifies that it took reasonable steps to provide broadband service at actual speeds of at least 4 Mbps downstream and 1 Mbps upstream upon reasonable request. Because of continued improvements to the network, MGW is now able to provide higher speeds to most customers.

Services are provided with latency suitable for real-time applications, including Voice over Internet Protocol. Customers receive an unlimited capacity each month

MGW Telephone
Data on Community Anchor Institutions
Line 3012

Certification

During 2015, MGW Telephone started providing broadband to the following new community anchor institutions. Also listed(see status) are institutions that already were receiving or able to receive broadband in 2015.

Number Of Locations	Status	Name	Address
3	NEW in 2015	1. Bath County Schools	12145 Sam Snead Highway WARM SPRINGS, VA
1	Pre-existing	2. Augusta County Library-Deerfield Station	59 MARBLE VALLEY RD A DEERFIELD, VA 24432
1	Pre-existing	3. Mountain Grove Fire Department	1244 LITTLE BACK CREEK RD WARM SPRINGS, VA 24484
1	Pre-existing	4. Bath Highland Fire Department	12512 DRY RUN RD WILLIAMSVILLE, VA 24487
1	Pre-existing	5. McDowell Fire Dept.	102 BULLPASTURE RIVER RD MC DOWELL, VA 24458
1	Pre-existing	6. Deerfield Fire Dept	2927 Deerfield Valley Road Deerfield VA
1	Pre-existing	7. Headwaters Fire Dept	Rt 250 , Headwaters, VA
1	Pre-existing	8. Youth Development Inc.	117 Sparrow Lane Headwaters, VA

Elmore, Hupp & Company, P.L.C.

Certified Public Accountants

REDACTED -- FOR PUBLIC INSPECTION

*Jon D. Jencks
Michael A. Marrin*

*P. O. Box 2607
Staunton, VA 24402-2607*

*American Institute of
Certified Public Accountants*

*Steven E. Stroop • Of Counsel
Kenneth L. Elmore • Retired
R. G. Hupp • 1946 - 2008*

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Fax • (540) 885-6806*

www.elmorehupp.com

*Virginia Society of
Certified Public Accountants*

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
MGW Communications, Inc.
Williamsville, Virginia

We have reviewed the accompanying consolidated financial statements of MGW Communications, Inc. and its Subsidiaries (a corporation), which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to

perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Additional Information

The additional information includes the balance sheets and statements of income of MGW Telephone Company, Inc. and MGW Networks, L.L.C. and Subsidiary for the years ended December 31, 2015 and 2014 and is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. The information is the representation of management. We have reviewed the information and, based on our reviews, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

EMORE. HUPP & COMPANY, P.C.

Staunton, Virginia
March 15, 2016

MGW COMMUNICATIONS, INC., AND SUBSIDIARIES
BALANCE SHEETS OF MGW TELEPHONE COMPANY, INC.
December 31, 2015 and 2014

REDACTED -- FOR PUBLIC INSPECTION

See independent accountant's review report.

MGW COMMUNICATIONS, INC., AND SUBSIDIARIES
STATEMENTS OF INCOME OF MGW TELEPHONE COMPANY, INC.
Years Ended December 31, 2015 and 2014

REDACTED -- FOR PUBLIC INSPECTION